

AMENDED IN ASSEMBLY APRIL 19, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1233

Introduced by Assembly Member Pescetti

February 23, 2001

An act to add Section 785.8 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1233, as amended, Pescetti. Public utilities: transportation charges.

(1) Existing law requires the Public Utilities Commission to allow a gas corporation to fully recover all reasonable and prudent costs associated with ownership and operation of the gas plant used for transportation.

This bill would ~~require any transportation charges permitted under a rate tariff by the commission for the transmission of natural gas from a gas well to the end-use customer to include the cost of transmitting gas to and from a storage facility, or to and from a facility that blends natural gas to achieve a usable thermal rate. The bill would prohibit any transportation charge from being assessed by the utility for the use of local pipelines not owned by the utility~~ *prohibit assessment of local transmission rates on natural gas if (a) it is delivered to an end-use customer, (b) it is delivered through a transmission system owned by a gas corporation, and (c) it is blended with gas supplies produced from an in-state source for the purposes of achieving a usable thermal rate.* Because a violation of the Public Utilities Act is a crime under existing

provisions of law, this bill would create a state-mandated local program by expanding the definition of a crime.

The

(2) *The* California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 785.8 is added to the Public Utilities~~
2 ~~Code, to read:~~

3 ~~785.8. Any transportation charges permitted under a rate tariff~~
4 ~~by the commission for the transmission of natural gas from a gas~~
5 ~~well to the end use customer shall include the cost of transmitting~~
6 ~~gas to and from a storage facility, or to and from a facility that~~
7 ~~blends natural gas to achieve a usable thermal rate. No~~
8 ~~transportation charge may be assessed by a utility for the use of~~
9 ~~local pipelines not owned by the utility.~~

10 ~~SEC. 2.~~

11 *SECTION 1. The Legislature finds and declares all of the*
12 *following:*

13 *(a) California is one of the largest producers of oil and natural*
14 *gas in the nation.*

15 *(b) California is one of the largest consumers of oil and natural*
16 *gas in the nation.*

17 *(c) Natural gas is a crucial commodity that is necessary to*
18 *electrical production, residential heating, commodity production,*
19 *and industrial manufacturing.*

20 *(d) The price of electricity is tied closely to the price of natural*
21 *gas.*

22 *(e) Despite having significant untapped reserves of natural*
23 *gas, California remains heavily dependent upon out-of-state gas*
24 *deliveries.*



1 (f) *It is in the state's long-term economic interest to promote*
2 *policies that maximize the use of available in-state resources and*
3 *encourage the increased production of natural gas.*

4 SEC. 2. *Section 785.8 is added to the Public Utilities Code, to*
5 *read:*

6 785.8. *Natural gas may not be assessed local transmission*
7 *rates if all of the following conditions apply:*

8 (a) *The gas is delivered to an end-use customer.*

9 (b) *The gas is delivered through a transmission system owned*
10 *by a gas corporation.*

11 (c) *The gas is blended with gas supplies produced from an*
12 *in-state source for the purposes of achieving a usable thermal rate.*

13 SEC. 3. *No reimbursement is required by this act pursuant to*
14 *Section 6 of Article XIII B of the California Constitution because*
15 *the only costs that may be incurred by a local agency or school*
16 *district will be incurred because this act creates a new crime or*
17 *infraction, eliminates a crime or infraction, or changes the penalty*
18 *for a crime or infraction, within the meaning of Section 17556 of*
19 *the Government Code, or changes the definition of a crime within*
20 *the meaning of Section 6 of Article XIII B of the California*
21 *Constitution.*

